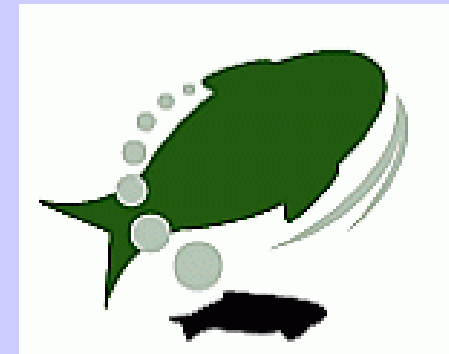


San Francisco Hard Assets Investment Conference 2011

San Francisco, USA

November 28, 2011

Presented by John Kaiser

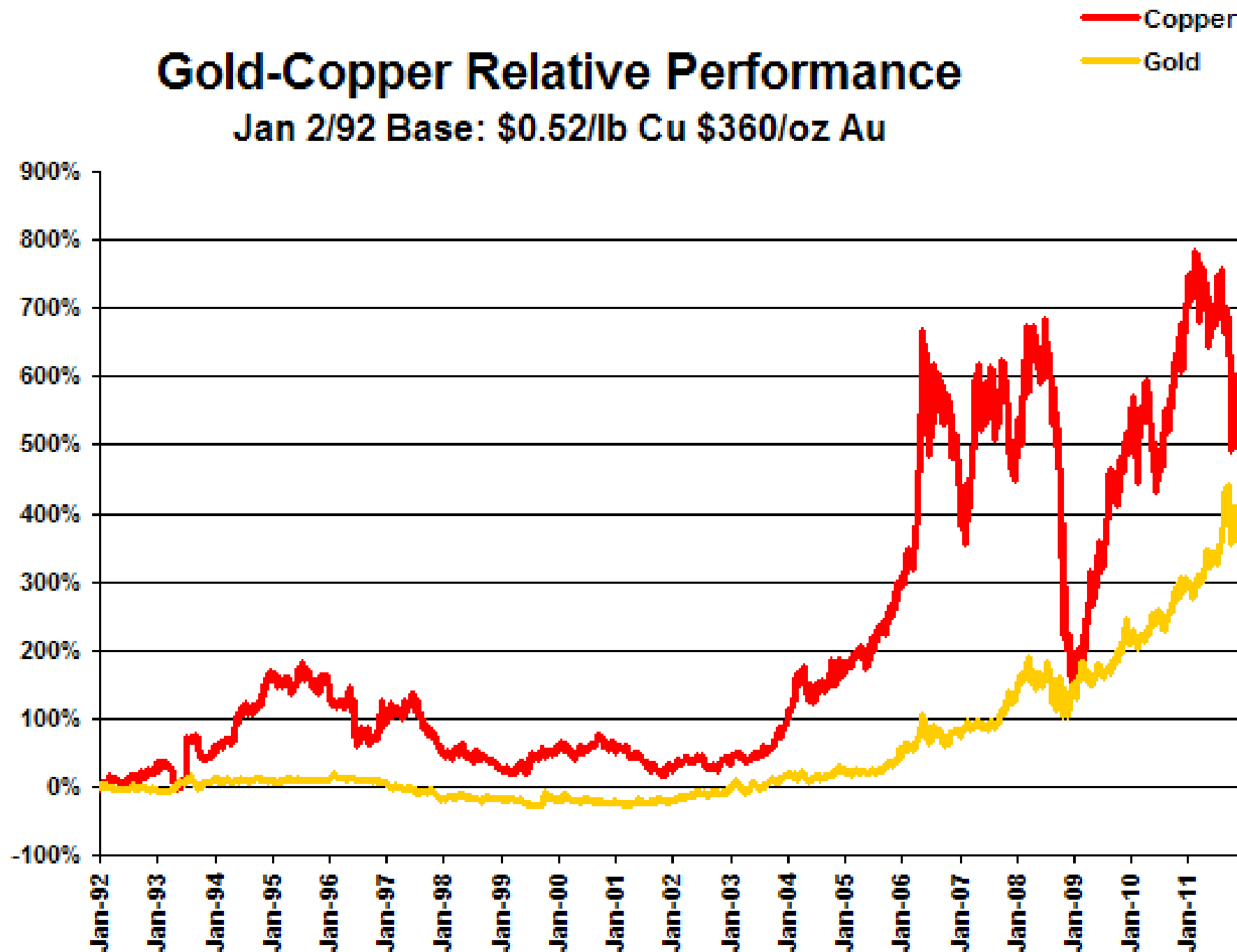


**Expert View: An Alternative Way
to look at Gold and Silver**

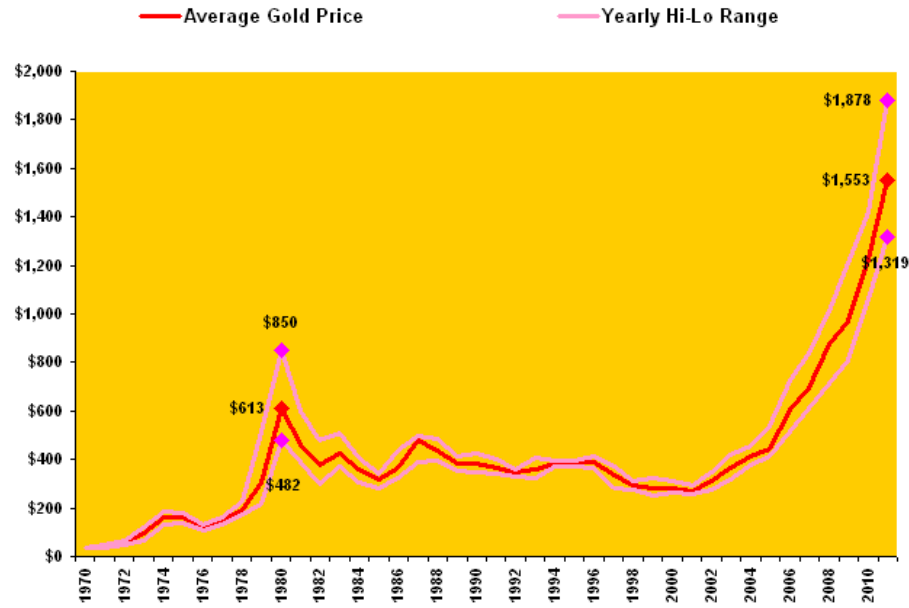
www.KaiserResearch.com

Gold-Copper Relative Performance

Jan 2/92 Base: \$0.52/lb Cu \$360/oz Au



Annual Average Gold Price with High-Low Range



Source: CPM, IMF, World Bank

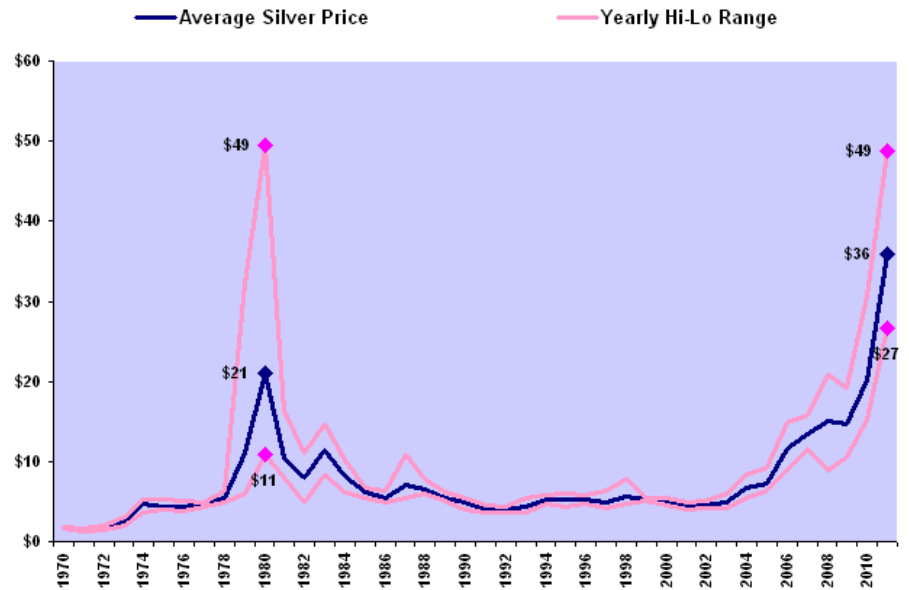
November 2011

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LME Copper \$/lb



Annual Average Silver Price with High-Low Range

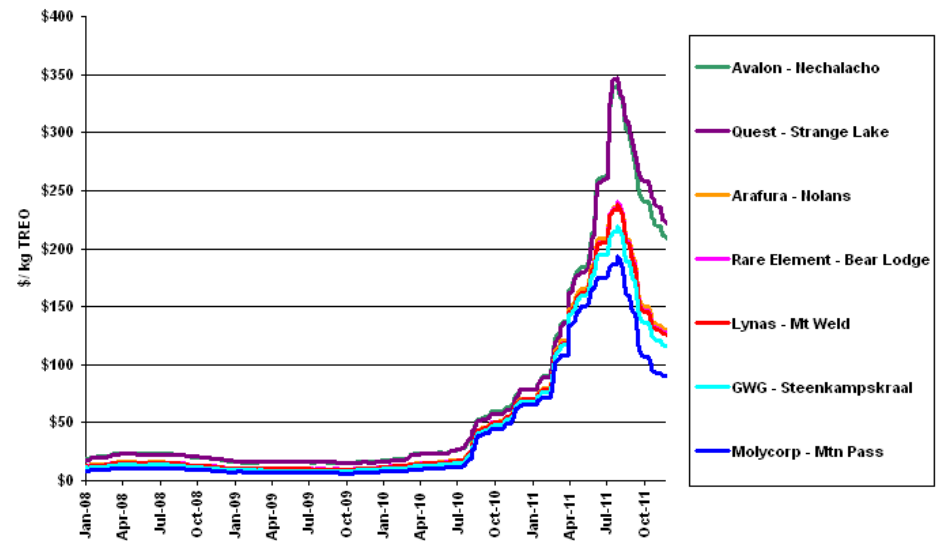


Source: CPM, IMF, World Bank

November 2011

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Project Basket Values at FOB China Spot Prices

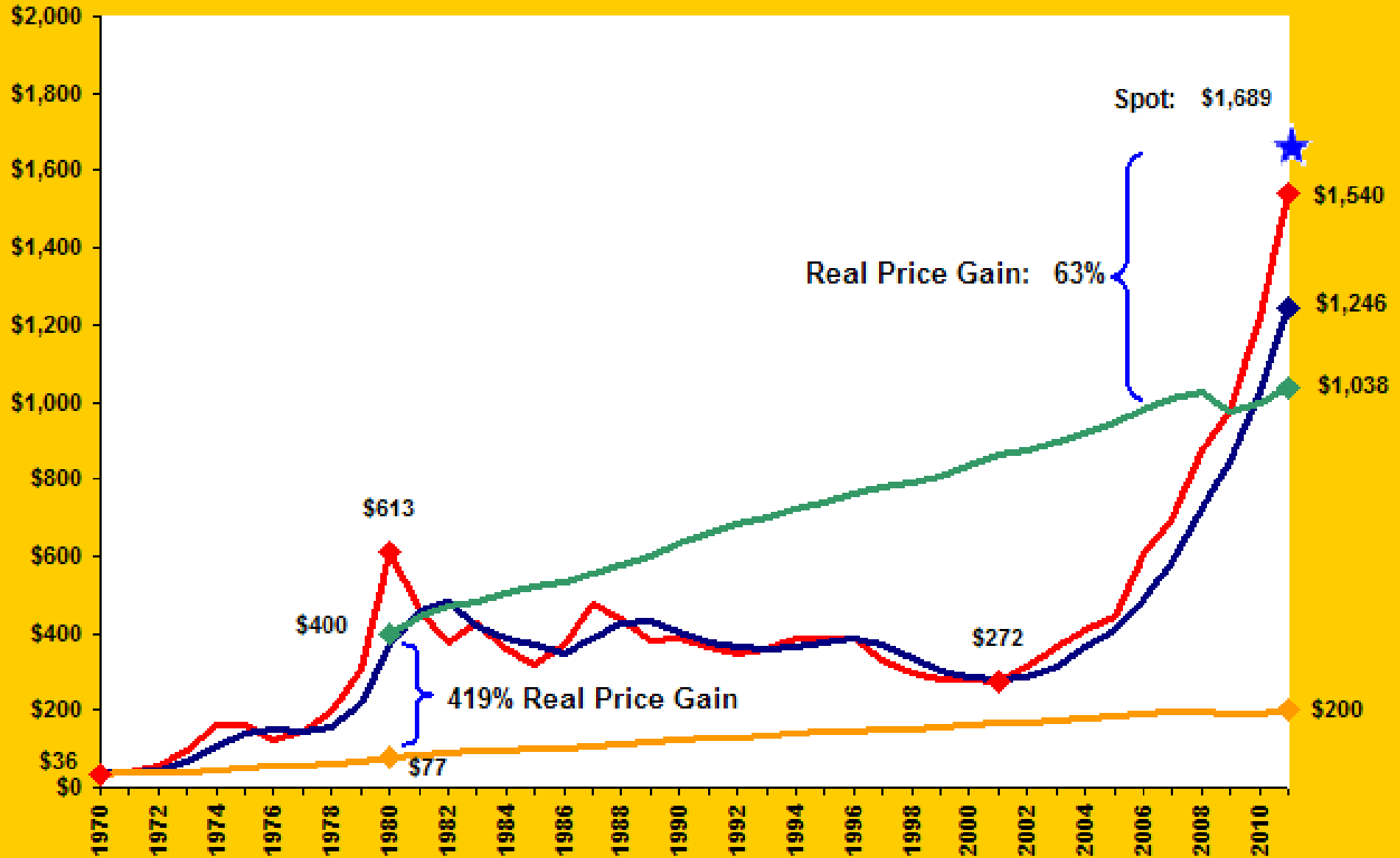


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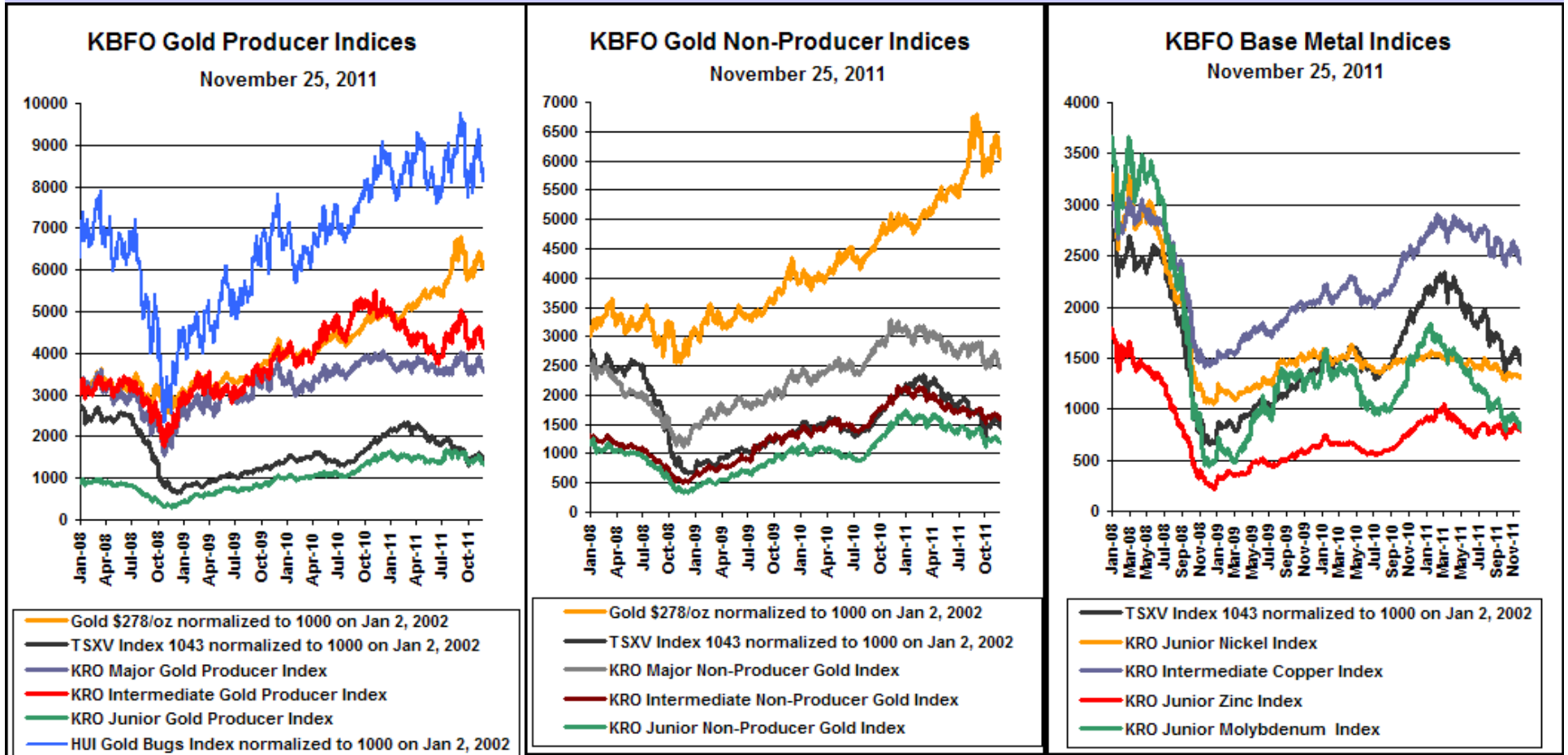
November 24, 2011

Gold

- Average Annual Gold Price \$/oz
- 3 year average - includes current year
- Gold Price US CPI inflation adjusted from 1980 base of \$400 per oz
- Gold Price US CPI inflation adjusted from 1970 base of \$36 per oz



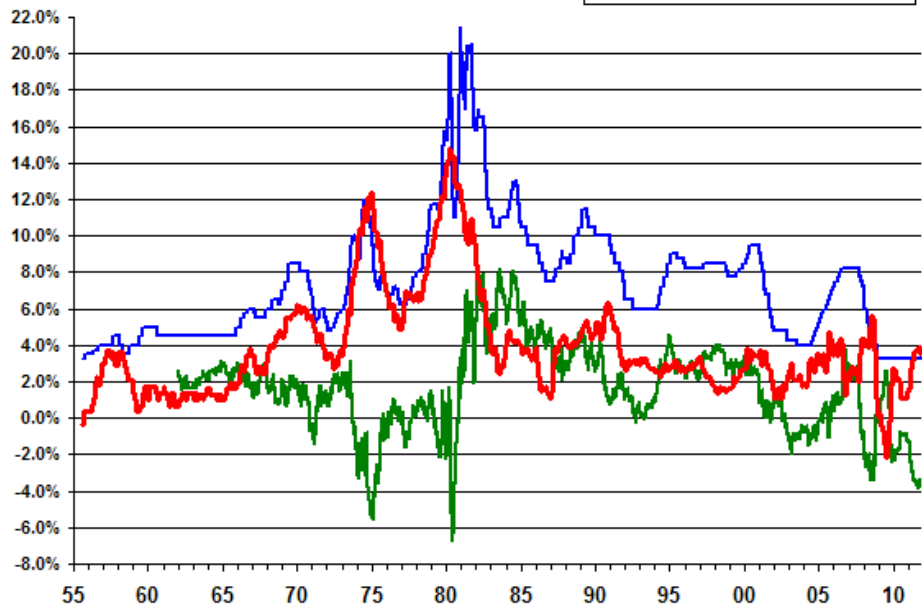
Despite strong metal prices we have an equity valuation disconnect.



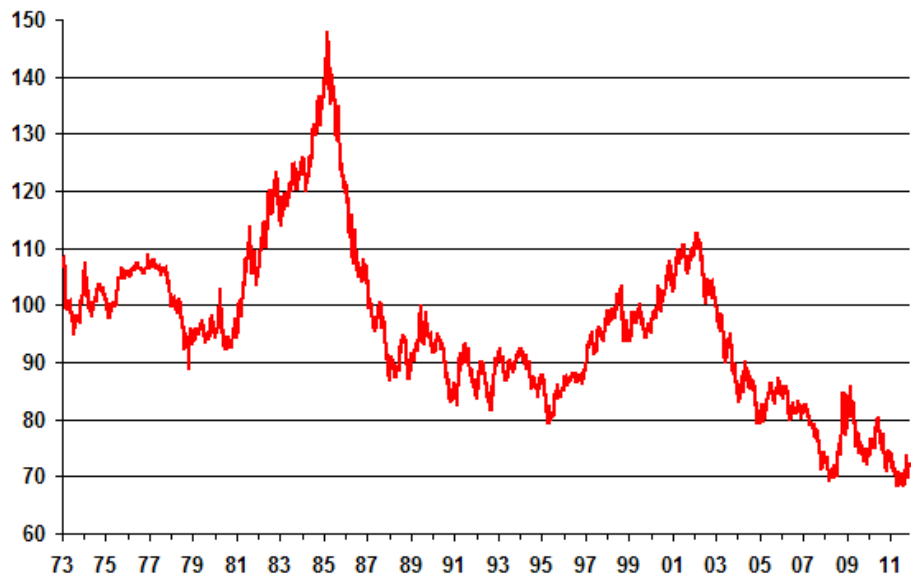


Key Rates

— US Prime Rate
— Real 1 Year T-Bill Rate
— US CPI Inflation Rate



US Dollar Major Currency Index (Downtrend = weakening US \$)

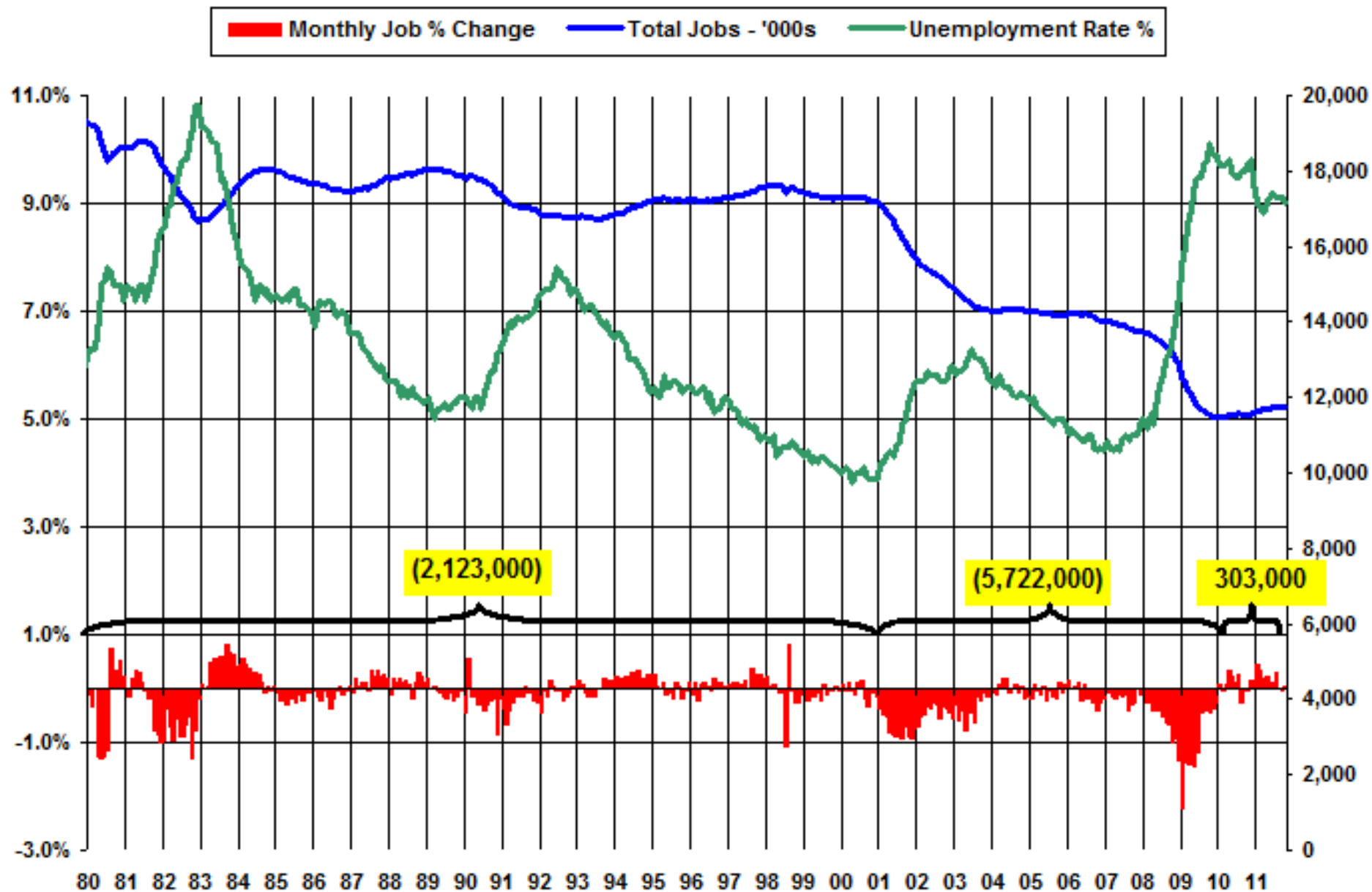


Is gold up because it is anticipating inflation which will wipe out the profit margin implicit in gold's real price gain?

Is gold up because the US dollar will massively decline against other currencies?

Neither the hyper-inflation nor currency debasement explanations for gold's strength are good for gold equities.

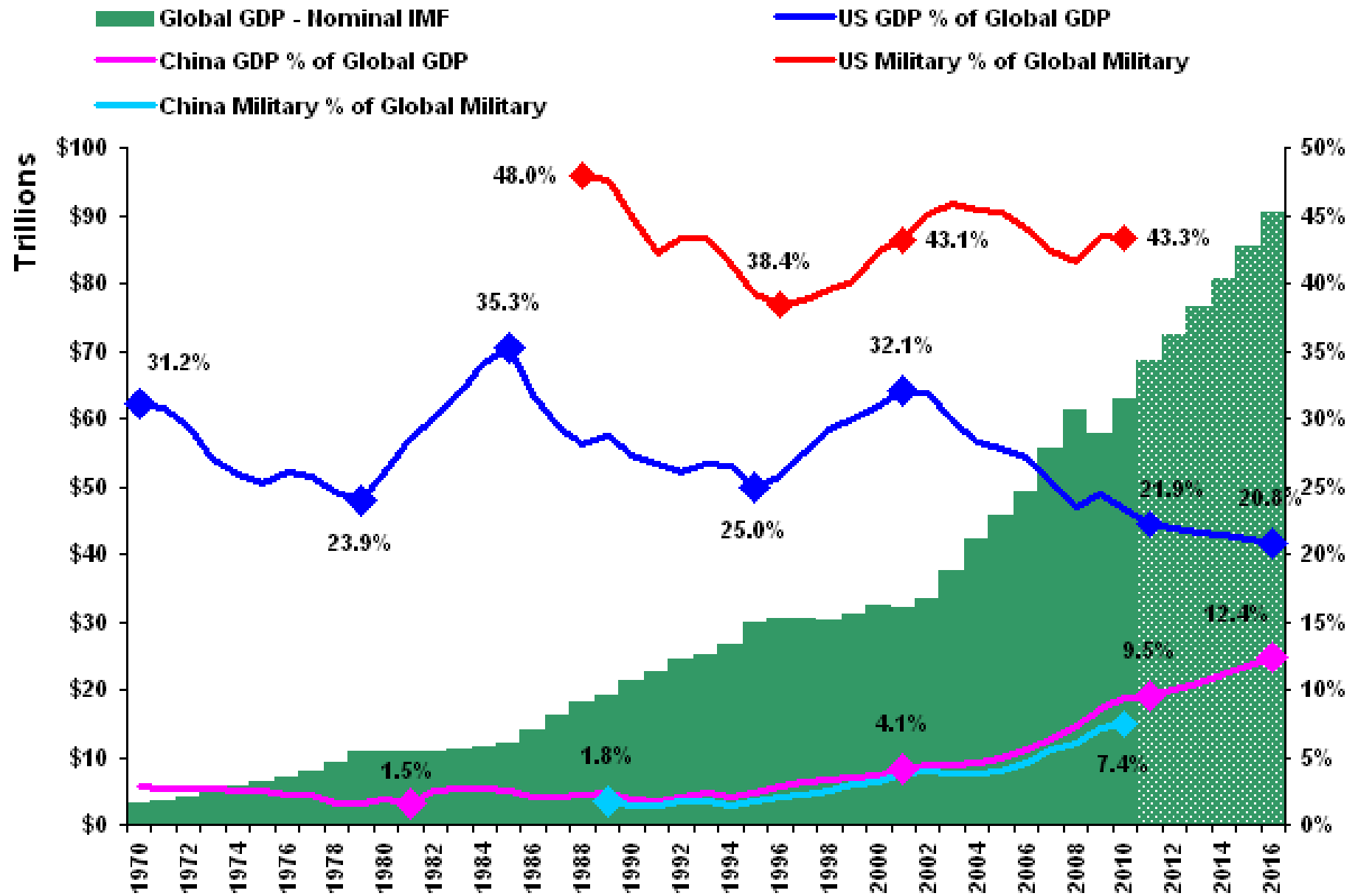
US Manufacturing Jobs



Source: Bureau of Labor Statistics

October 2011

US & China Relative Percentage of Global GDP & Military Spending (2011-2016 GDP estimates by IMF)

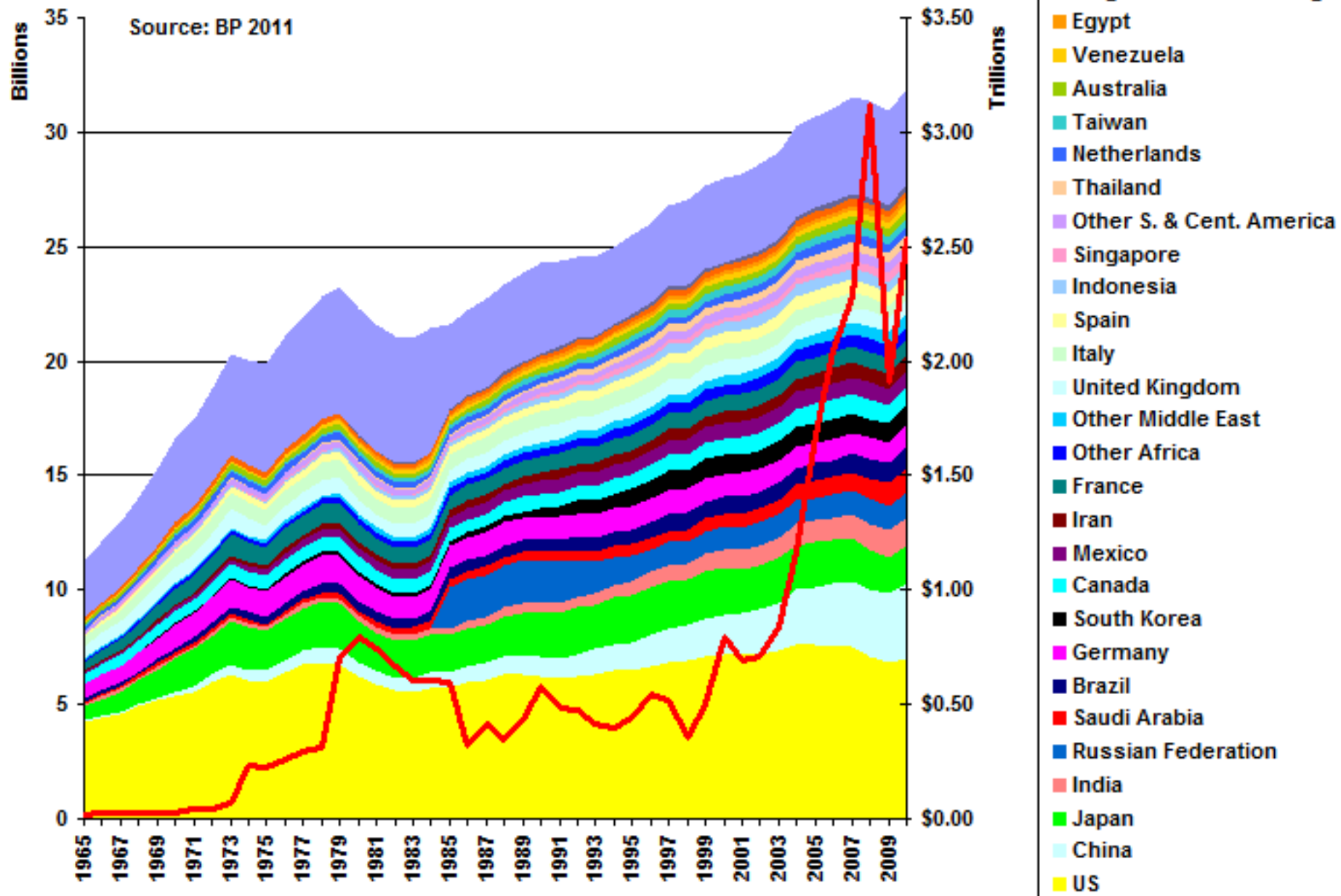


Source: IMF, SIPRI, World Bank

November 2011

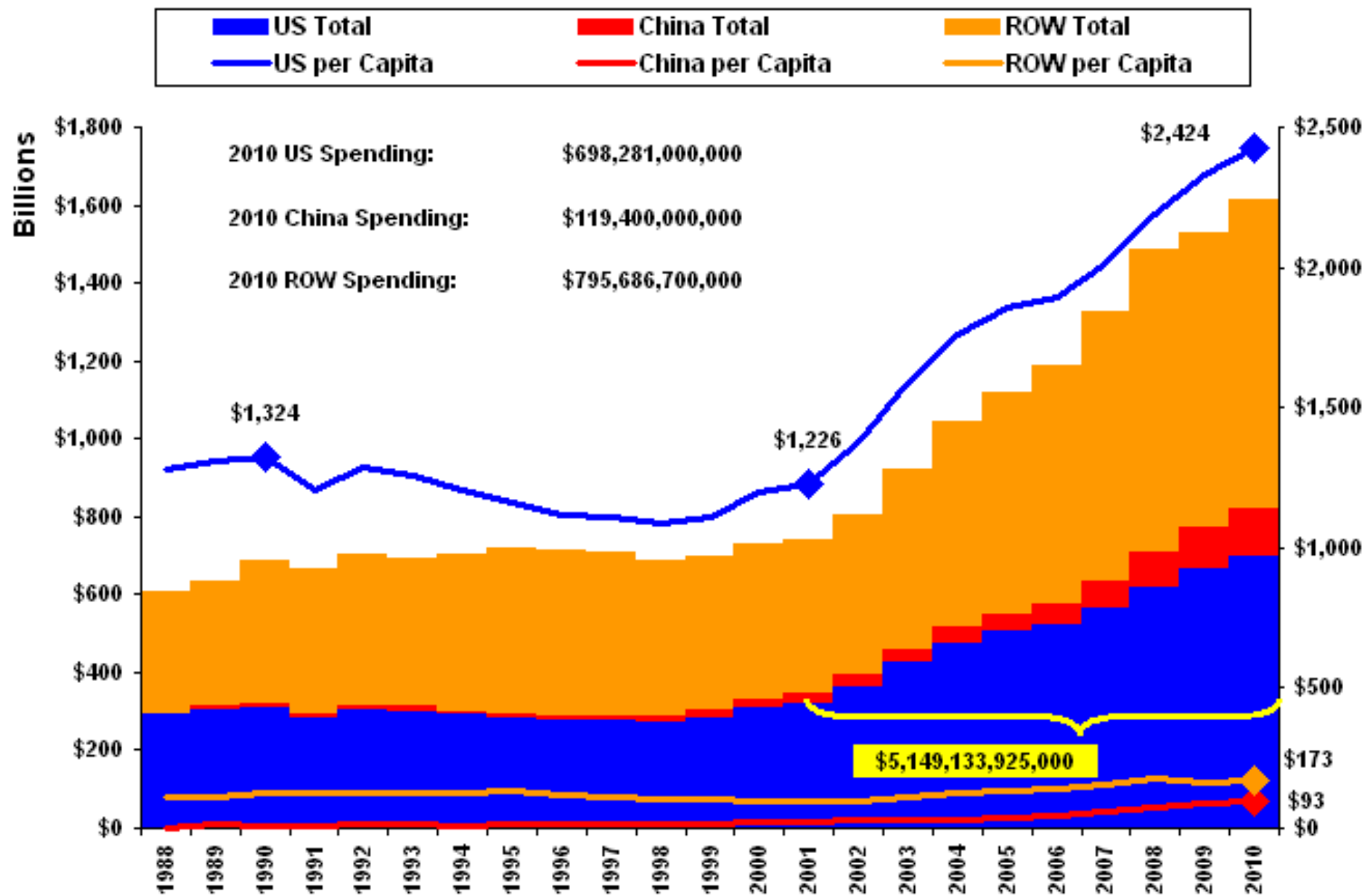
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Oil Consumption- barrels per year



Annual Military Spending

(US figures do not include veterans spending - \$100 billion in 2010)

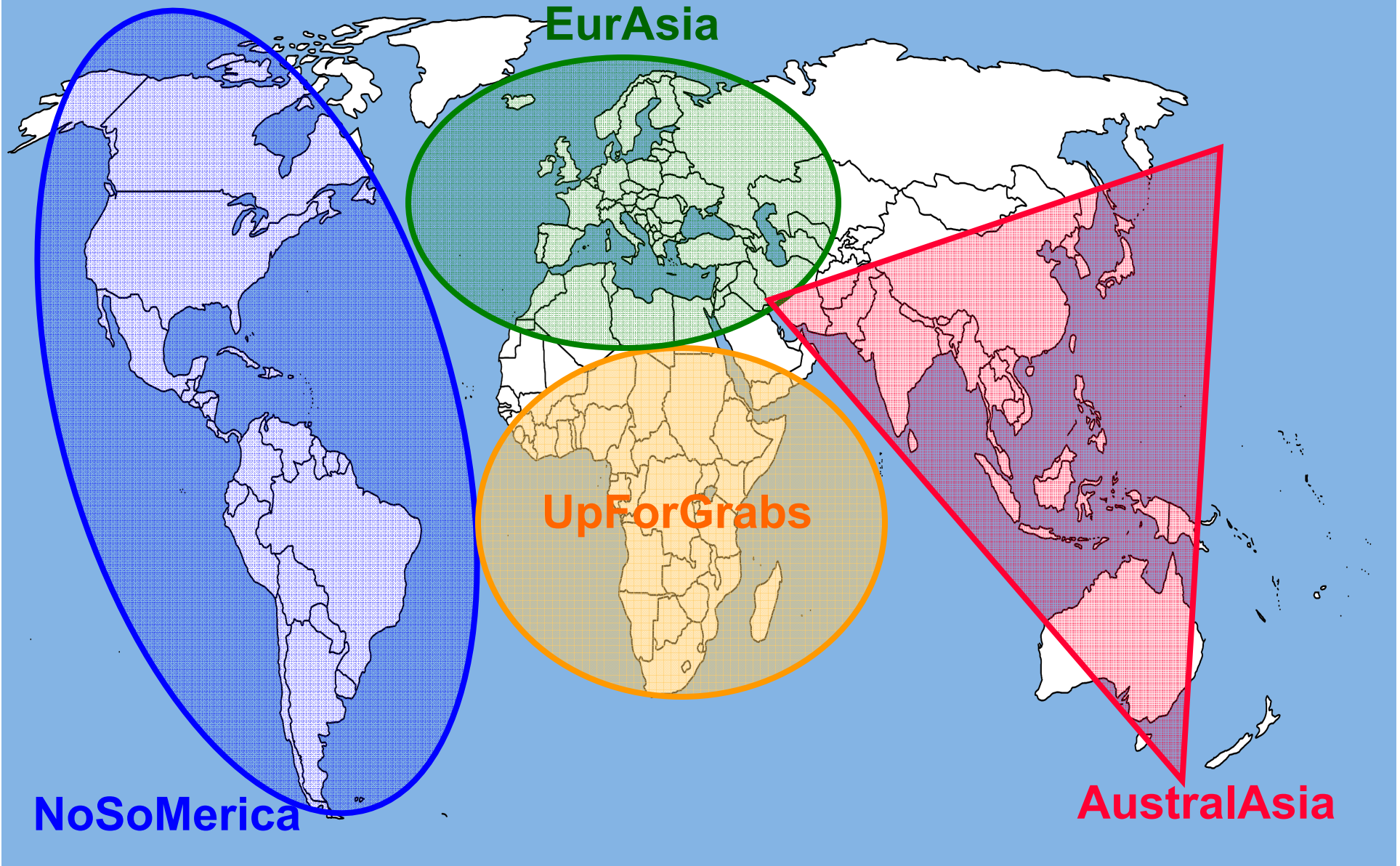


Source: IMF, SIPRI - current dollars

November 2011

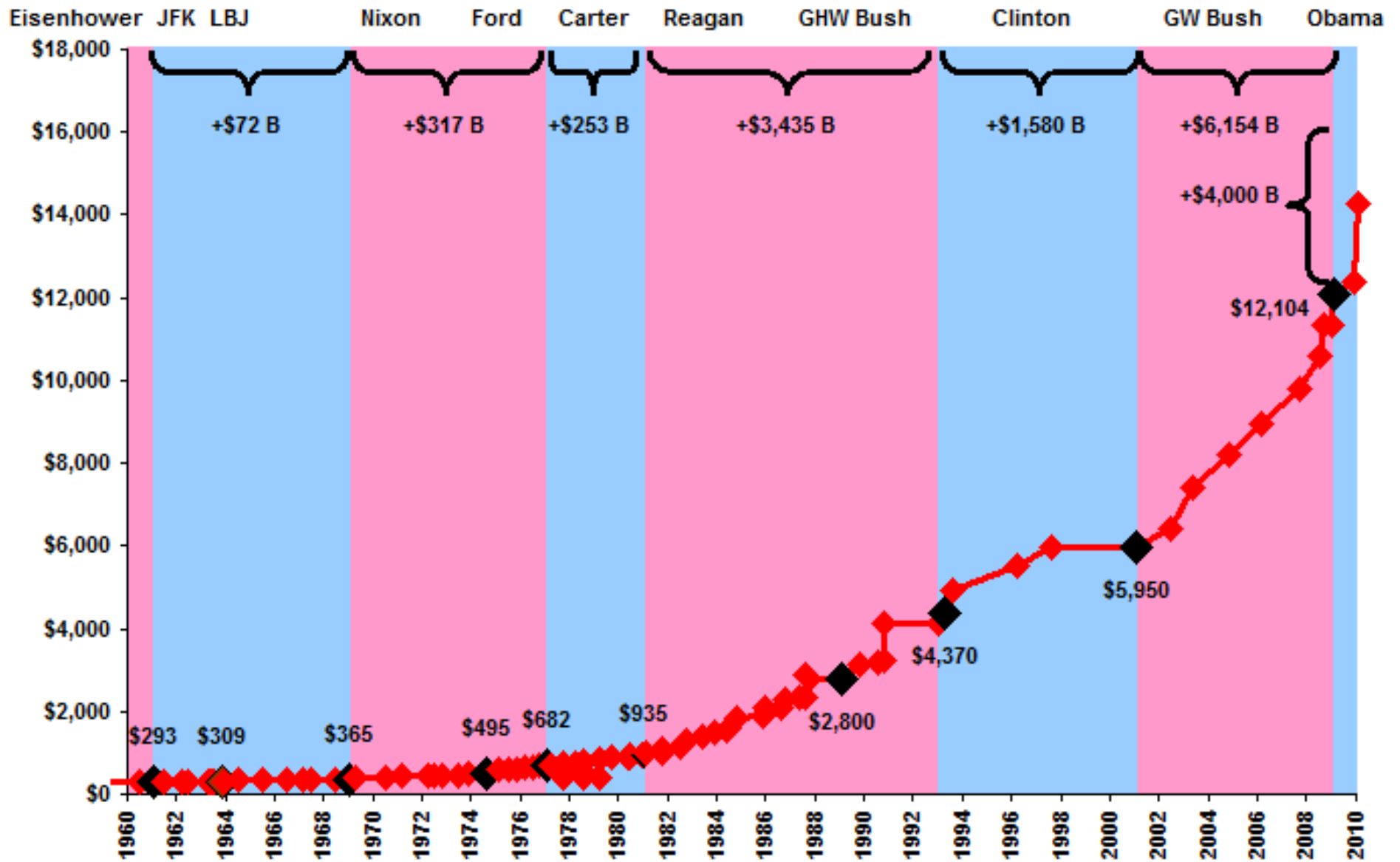
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Post-Globalization Economic Zone Fragmentation



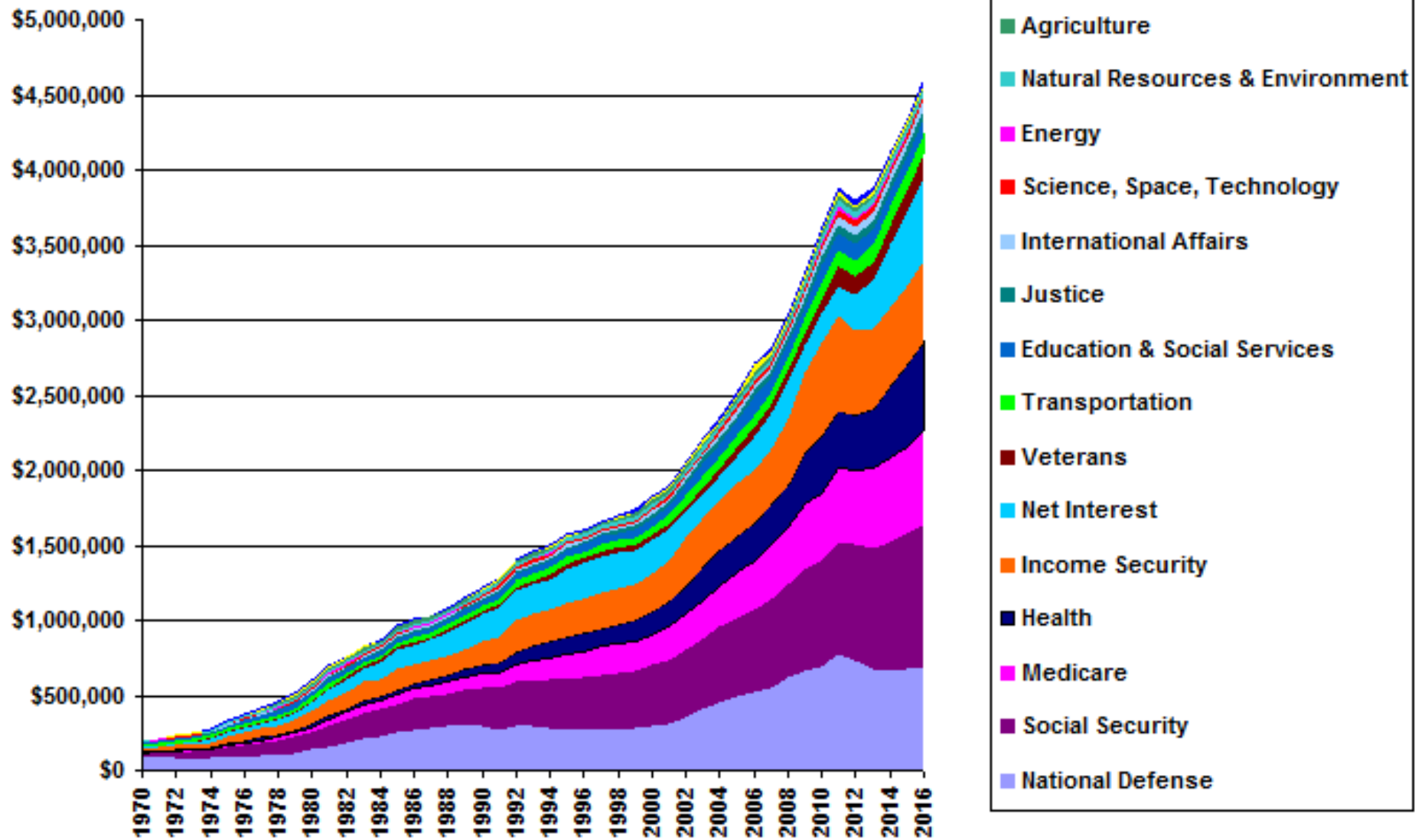
US Debt Ceiling Increases

Republican President
 Democrat President
 Debt Ceiling



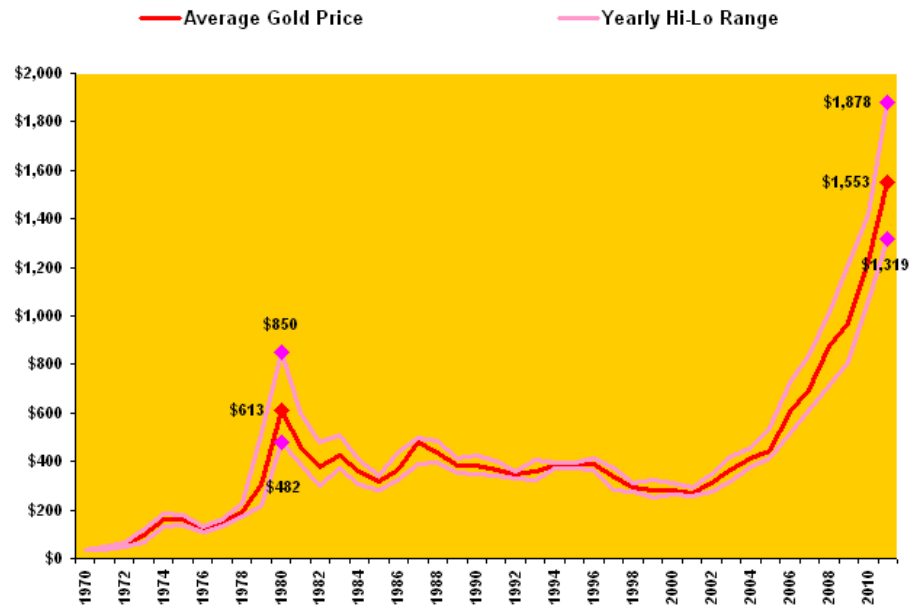
US Federal Outlays - millions

(Estimates for 2011-2016)



Source: Office of Management & Budget

Annual Average Gold Price with High-Low Range

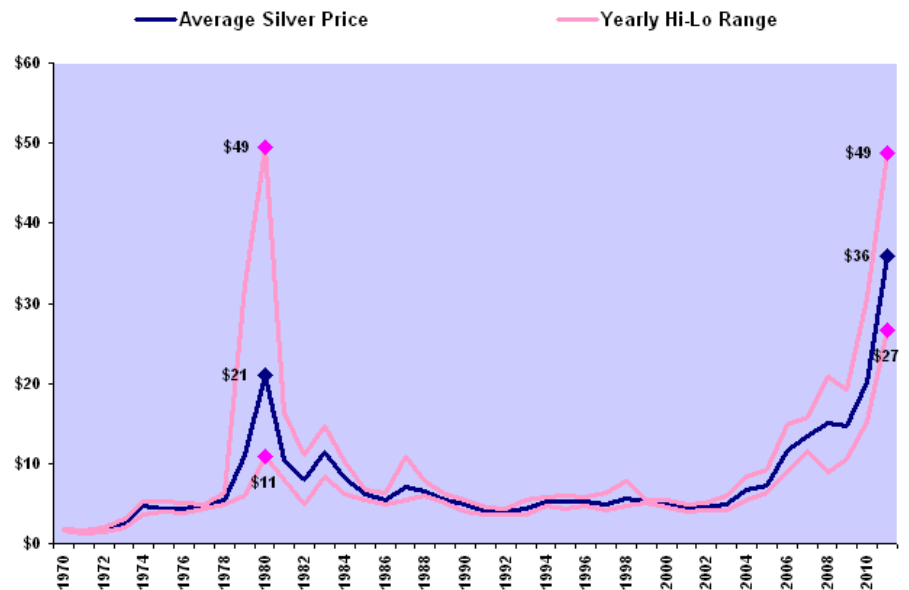


Source: CPM, IMF, World Bank

November 2011

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Annual Average Silver Price with High-Low Range



Source: CPM, IMF, World Bank

November 2011

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Skyrocketing gold & silver reflect a looming crisis for global supply channels that requires us to think in terms of security of supply.

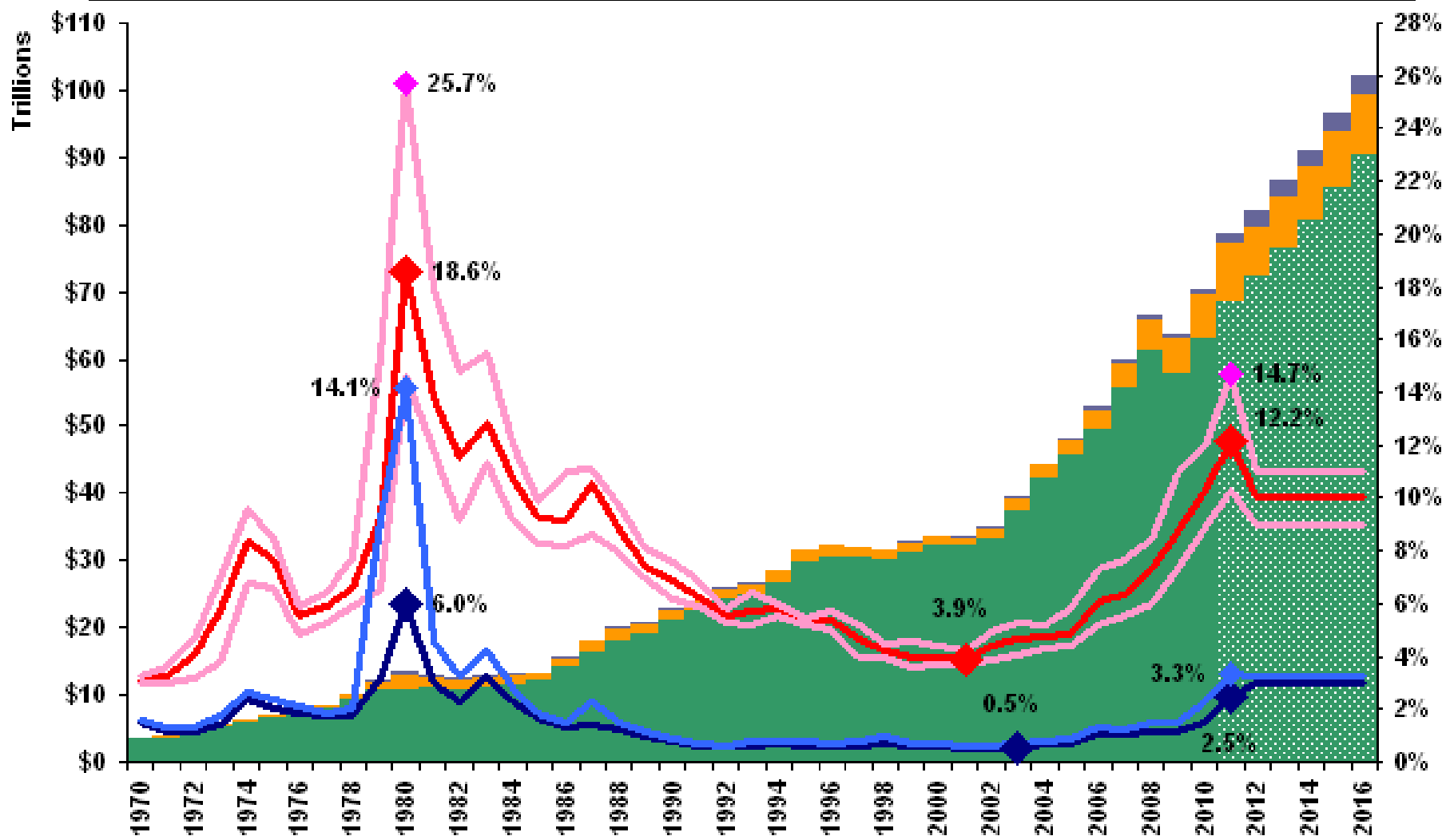
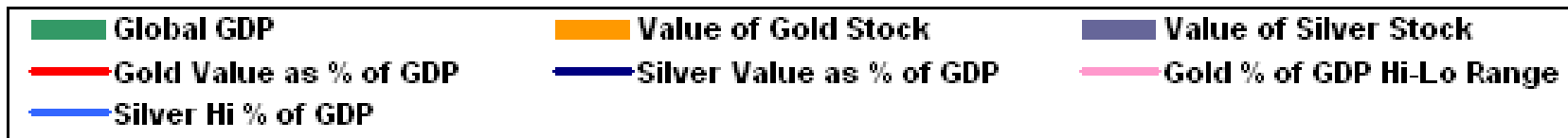
It's not about the collapse of fiat currencies and the end of America.

It's about the relative, not absolute, decline entailed for America by a global economy whose growth is driven by emerging economies such as China.

It's about fear over the instability that this transition will bring to the world.

Relationship between Global GDP and Value of Existing Gold & Silver Stock

(2011 GDP & Mine Supply estimated - Au \$1,553/oz Ag \$36/oz average)



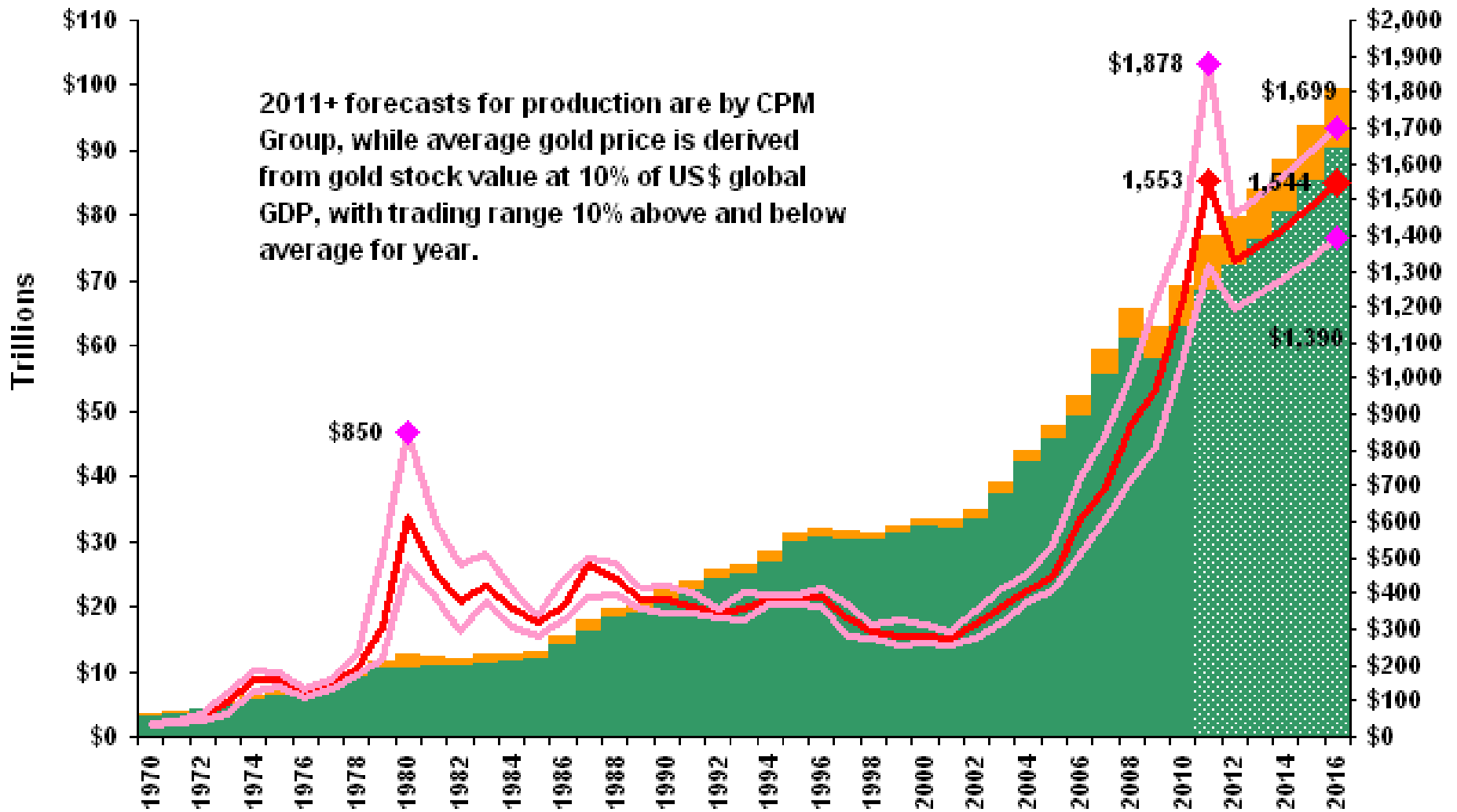
Source: CPM, IMF, World Bank

November 2011

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Relationship between Global GDP and Value of Existing Gold Stock (2011 GDP & Mine Supply estimated - \$1,553/oz average)

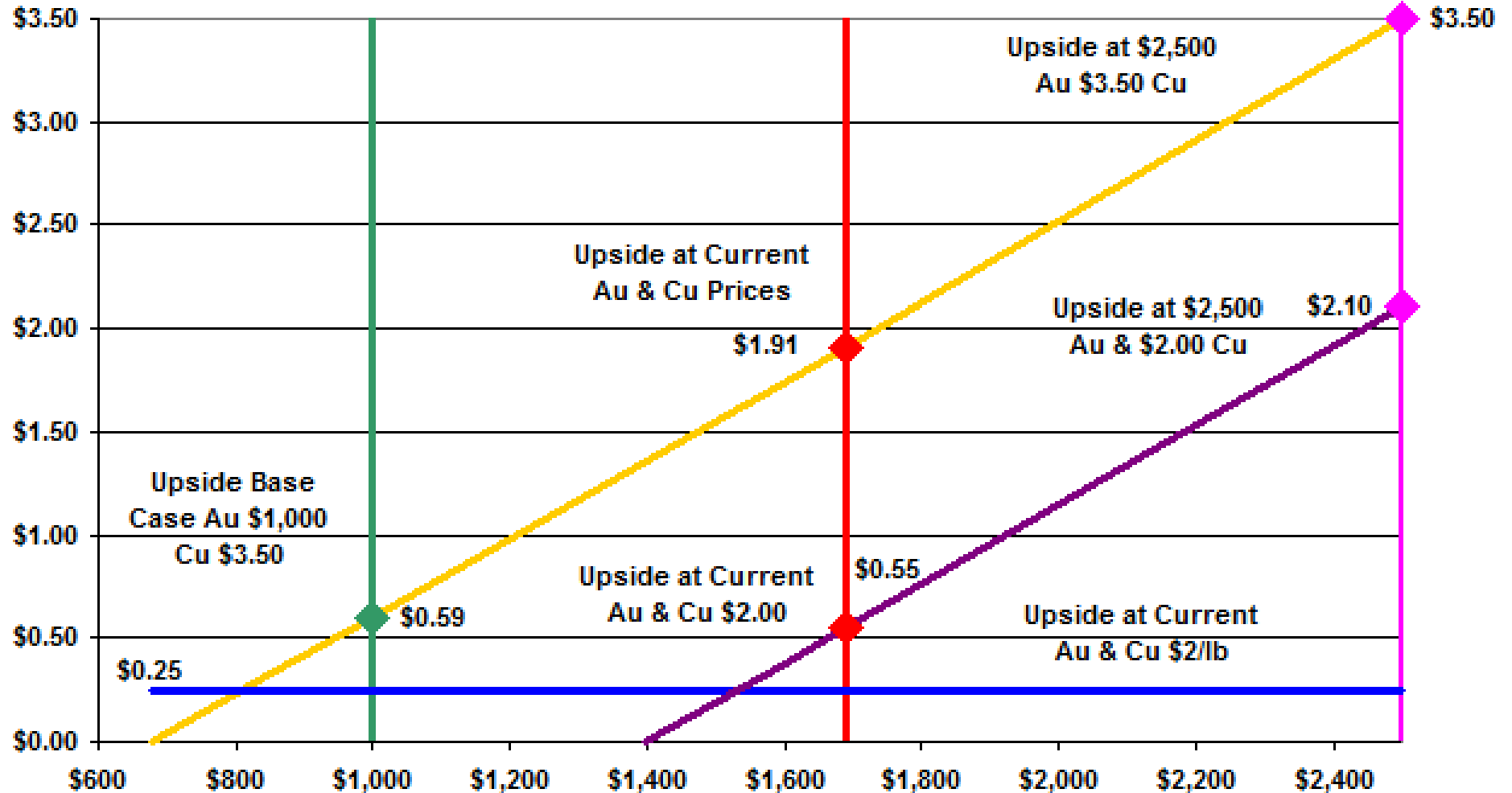
Global GDP
 Value of Gold Stock
 Average Gold Price
 Yearly Hi-Lo Range



Geologix Tepal After Tax NPV Sensitivity

- Base Case Price - \$1000 Au
- Current Gold Price - \$1,690
- Fantasy Price - \$2,500 Au
- Share vs Gold Price Cu \$3.50/lb
- Current Stock Price - \$0.25
- Share vs Gold Price Cu \$2.00/lb

10% Discount Rate, 145 M fully diluted, 35% Tax, exch 1:1 USD:CAD
 2011 PEA Parameters - 22,000 tpd, CapEx \$346 M, OpEx \$8.43/t
 Separate North-South Oxide & Sulphide Ore Feeds
 North-South Sulphide - 79.67 MT 0.24% Cu 0.41 g/t Au
 Tizate Sulphide - 50.5 MT 0.2% Cu 0.18 g/t Au



Geologix Explorations Inc

11/25/2008 TO 11/25/2011



Issued: 132,463,126

High: \$1.00 on 12/7/2010

Max Volume: 4,436,000 on 6/21/2010

Diluted: 145,445,143

Low: \$0.10 on 2/24/2009

Max Value: \$2,774,740 on 12/2/2010

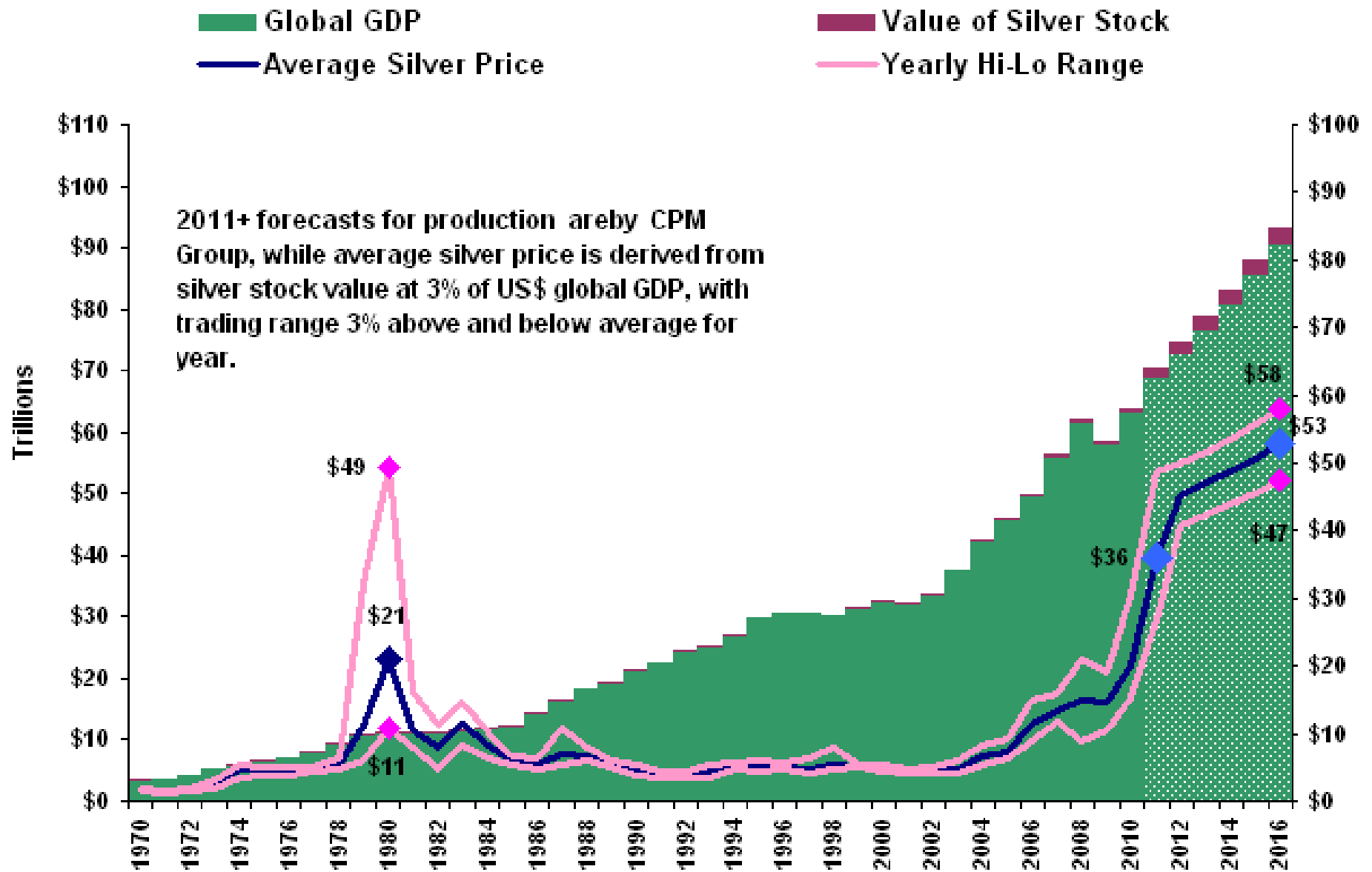


KaiserBottomFish.com

GIX - TSX - CAD \$0.25

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Relationship between Global GDP and Value of Existing Silver Stock (2011+ GDP & Mine Supply estimated)

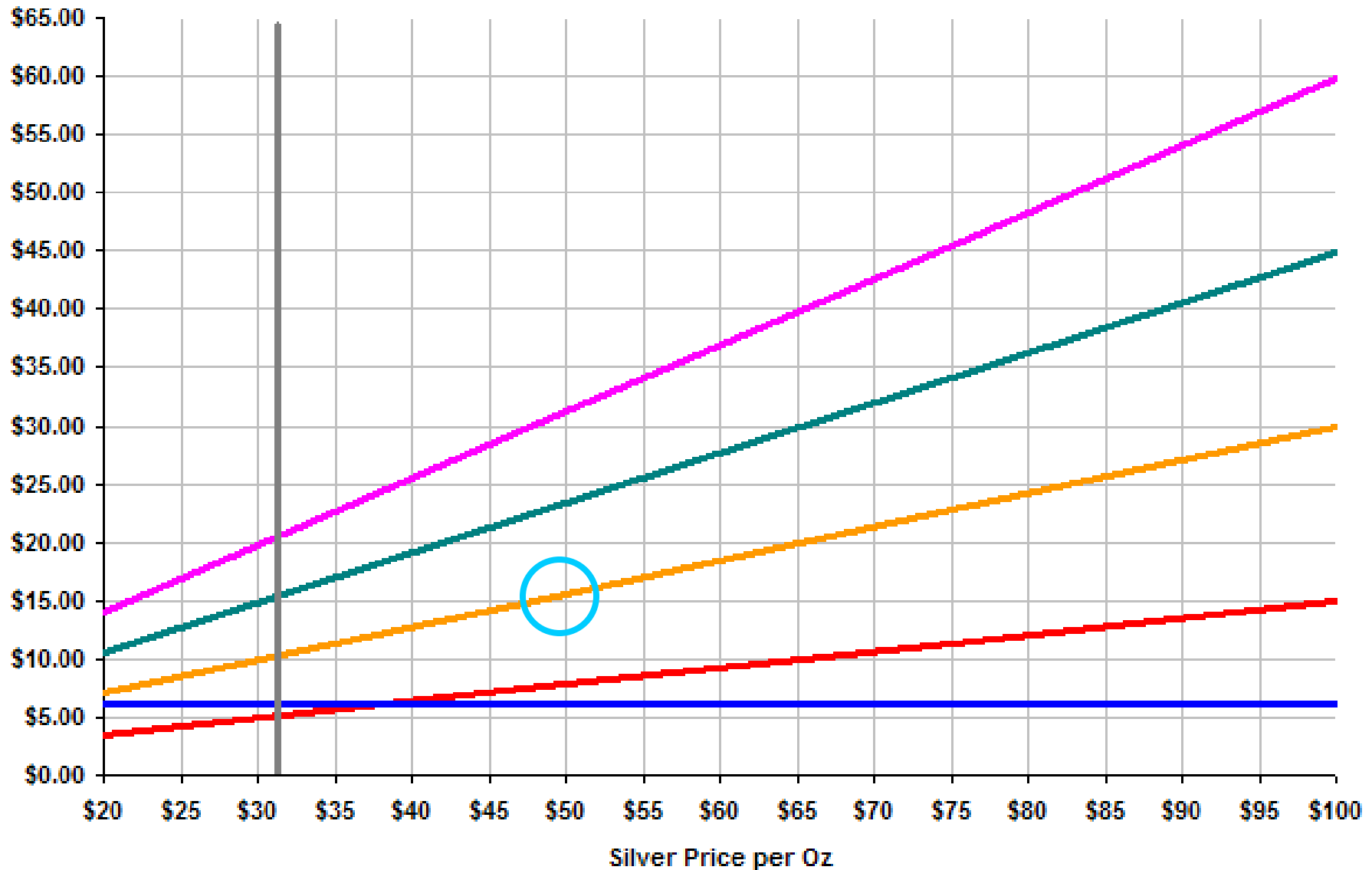
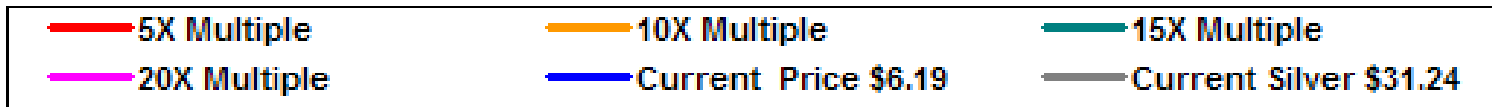


Source: CPM, IMF, World Bank

November 2011

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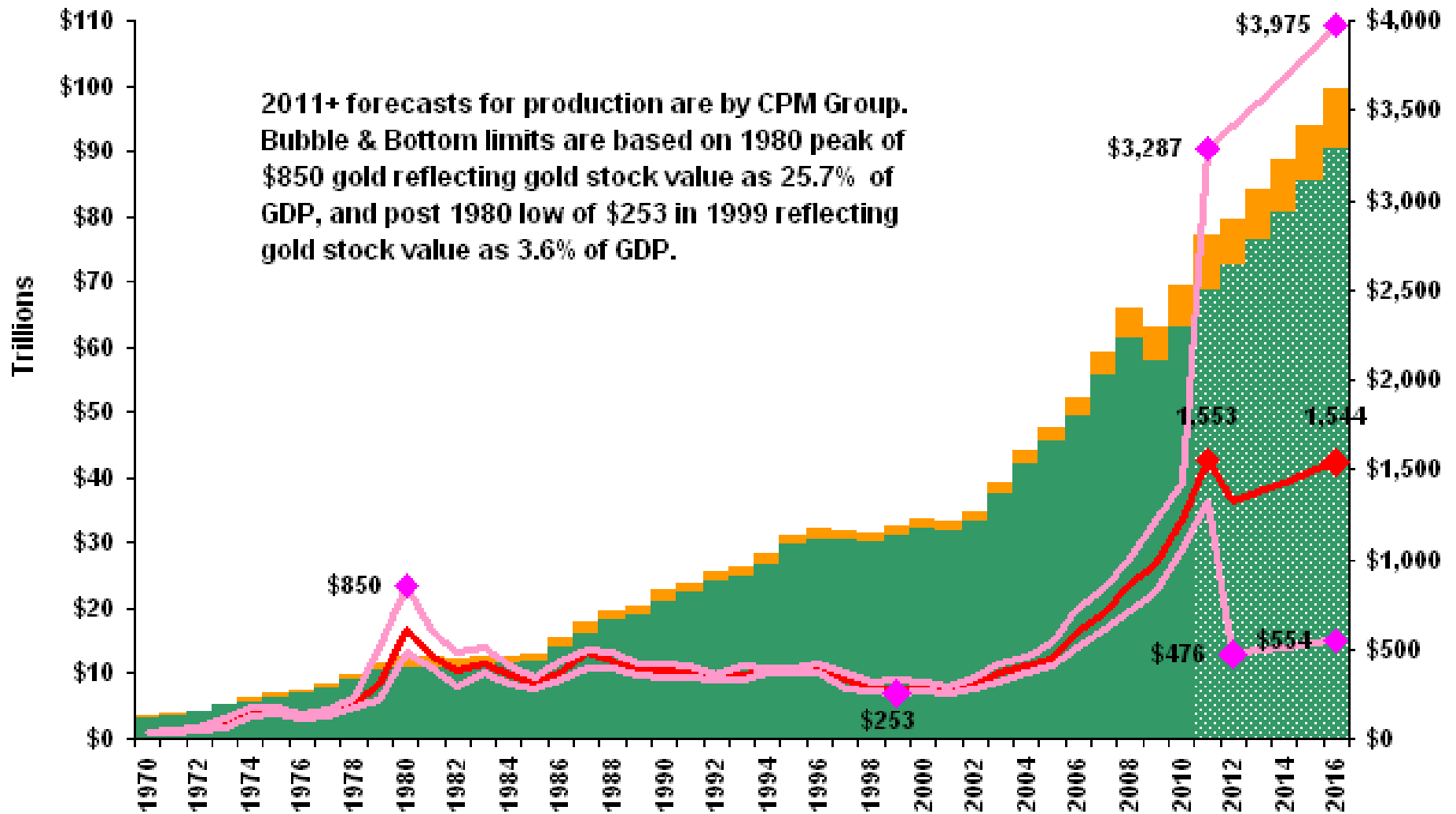
Fortuna Price Potential at various Multiples for 2012 Cash Flow Forecast



Past Peak & Bottom Based Bubble & Bear Limits for Gold

(2011 GDP & Mine Supply estimated - \$1,553/oz average)

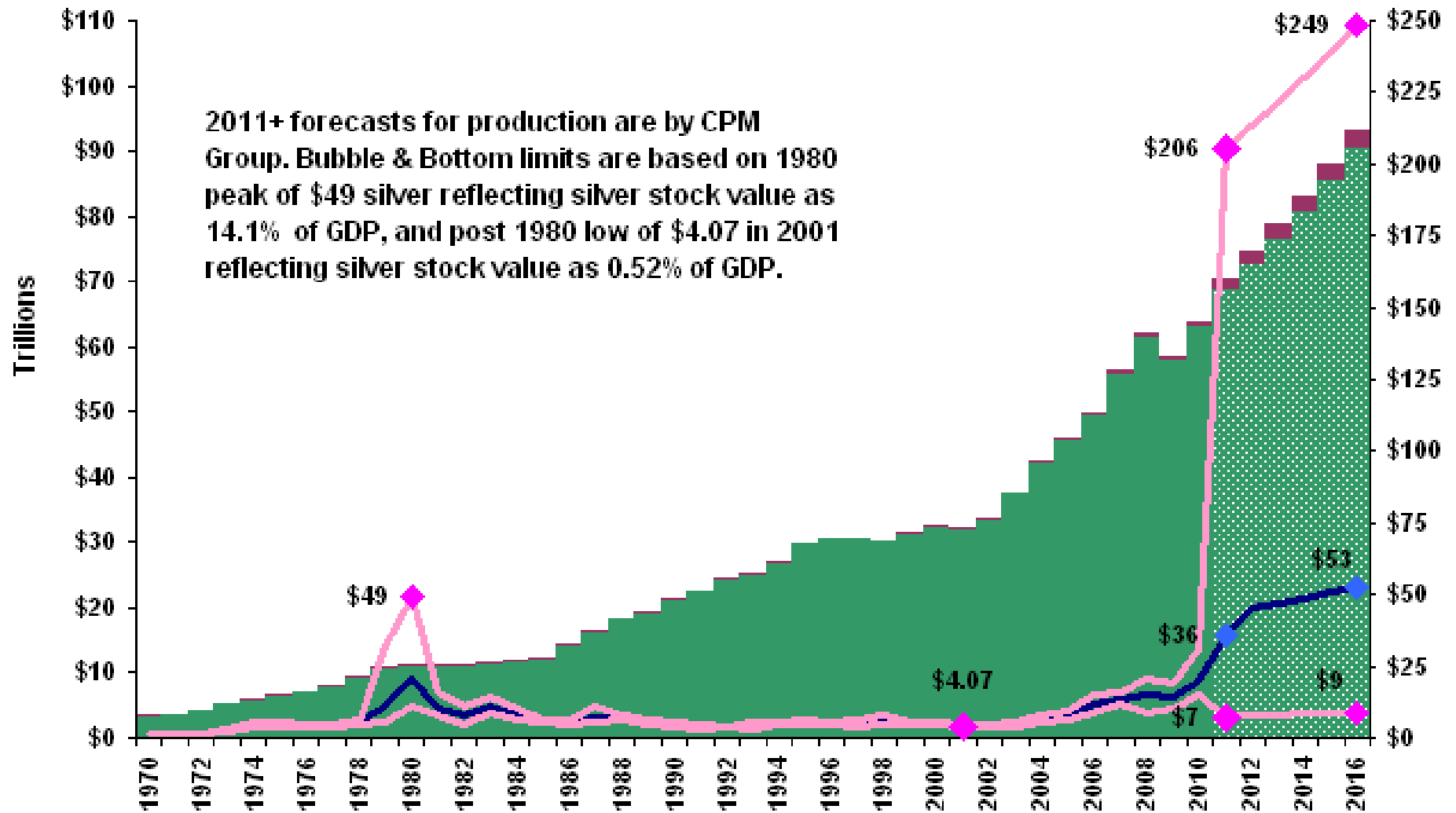
- Global GDP
- Value of Gold Stock
- Average Gold Price
- Yearly Hi-Lo Range



Past Peak & Bottom Based Bubble & Bear Limits for Silver

(2011+ GDP & Mine Supply estimated)

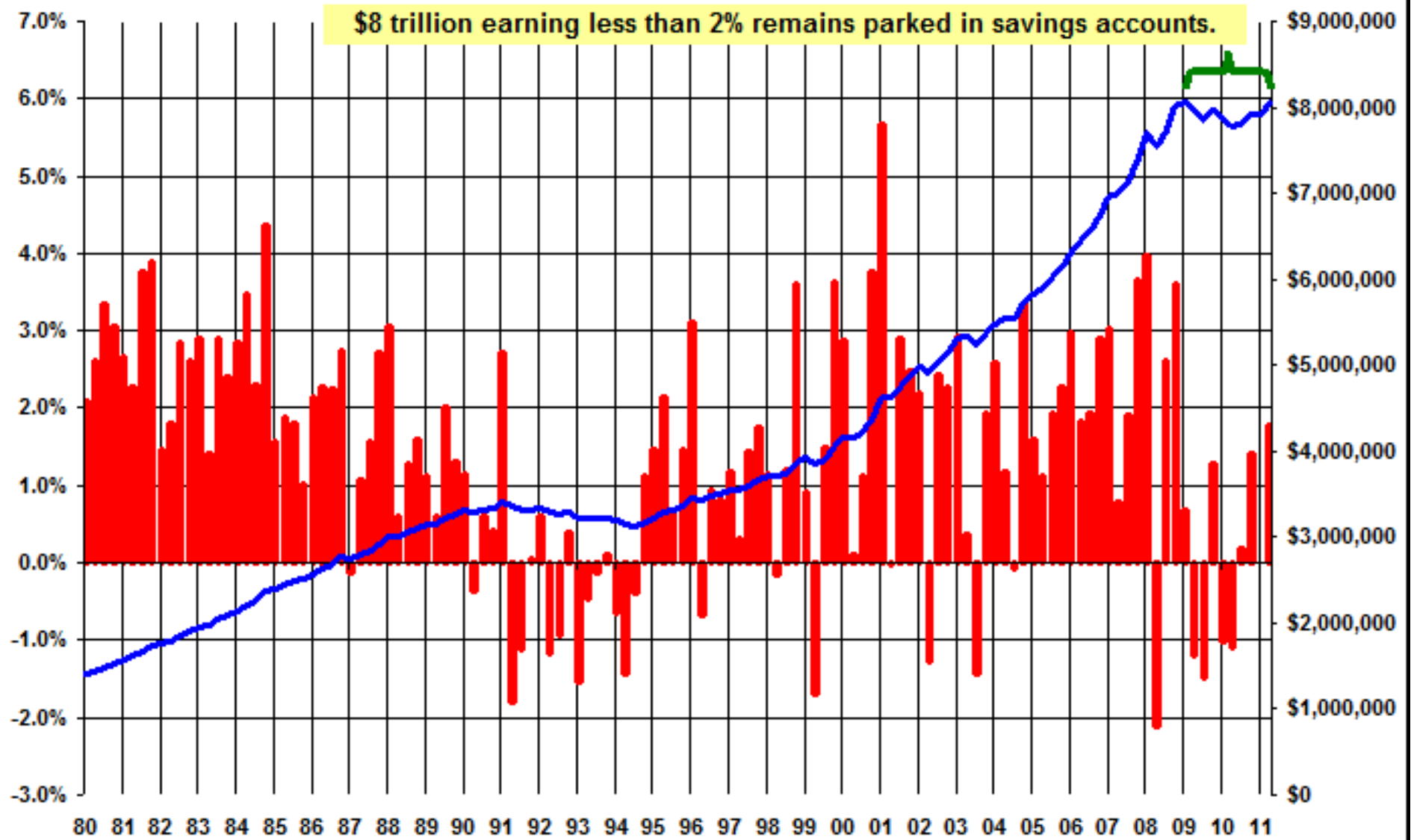
■ Global GDP
— Average Silver Price
■ Value of Silver Stock
— Yearly Hi-Lo Range



US Household Savings Deposits

Quarterly % Change

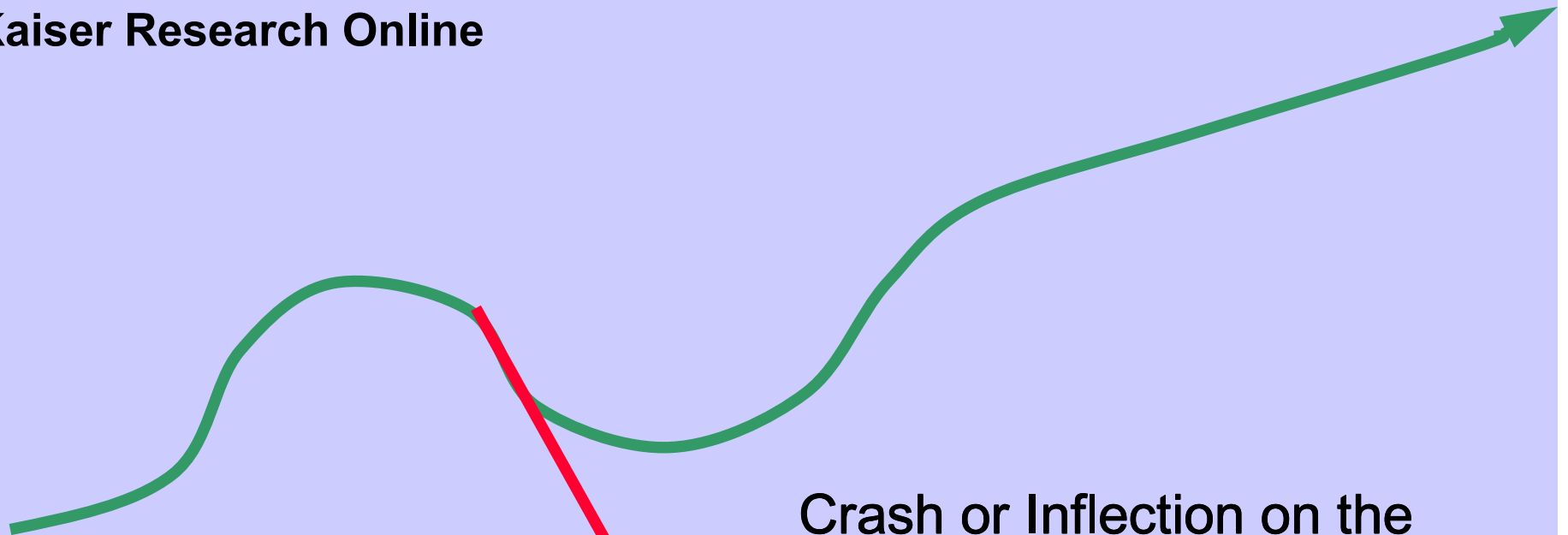
Savings Deposits - '000s



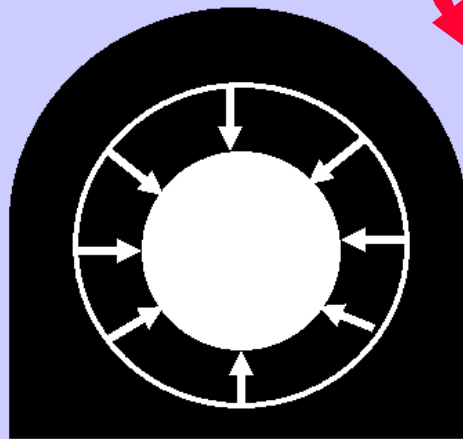
Source: Federal Reserve

Q2 of 2011

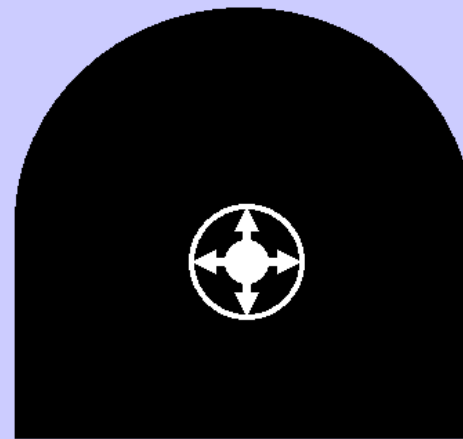
Kaiser Research Online



Crash or Inflection on the Horizon?



1 Billion OECD



3 Billion BRIC